



Cleveland District Office News

Information for the Small Business Community

January 2006

U.S. Small Business Administration
Cleveland District Office

1350 Euclid Avenue, Suite 211
Cleveland, Ohio 44115-1815

Phone: 216-522-4180
Fax: 216-522-2038

January 2006 Newsletter
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For More Information
SBA Home Page: www.sba.gov

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.
- For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:
1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
- Your rights to regulatory fairness:
1-800-REG-FAIR

All of the SBA's programs and services are provided to the

public on a non-discriminatory basis.

LOAN REPORT *as of December 30, 2005*



Total Loan Volume 7(a) and 504 Combined

Bank	Number of Loans	Dollars (In Thousands)
Charter One Bank	176	\$10,104
National City Bank	68	\$5,716
US Bank	53	\$2,149
Sky Bank	31	\$6,402
JPMorgan Chase Bank	30	\$4,012

504 Loans

Bank	Number of 504s
KeyBank	8
First Merit Bank	8
Charter One Bank	3
Sky Bank	3
JPMorgan Chase Bank	2
Zions First National	2

CDC	Number of Approvals	Dollars (In Thousands)
Growth Capital Corp.	7	\$2,418
Cascade Capital Corp.	7	\$2,378
Lake County SBAC	6	\$1,910
Stark Dev. Board Finance Corp.	5	\$1,546
MVEDC	4	\$1,694
Ohio Statewide Dev. Corp.	2	\$1,432
Community Capital Dev. Corp.	2	\$464

Notice regarding STAR Loans:

SBA Procedural Notices 5000-775 and 5000-779 advised that legislation signed into law on January 11, 2002, reduced the on-going annual fee charged to lenders on new 7(a) loans made to small businesses that were “adversely affected by the September 11, 2001, terrorist attacks and their aftermath.” This fee reduction was effective for the full term of eligible loans approved by SBA during the one year period beginning January 11, 2002 and ending January 10, 2003. Loans with the fee reduction were known as “Supplemental Terrorist Activity Relief” (“STAR”) loans.

In order to qualify for the reduced fee, a lender must have: 1) found that the loan applicant was adversely affected by the terrorist events of September 11, 2001; AND 2) prepared and maintained in its loan file a write up summarizing its analysis and its conclusion that the loan is eligible for the STAR program.

A lender would not be found to have met its responsibility for determining that a borrower was adversely affected if the lender statement merely stated that conclusion without providing a narrative justification demonstrating the basis for the conclusion.

This is a reminder that for the guaranty purchase of any STAR loan, lenders are required to submit the documentation concerning the loan’s STAR eligibility, as set forth both above and in more detail in the referenced notices. Without this documentation, SBA will be unable to process the lender’s purchase request.

Please contact our Lender Relations staff at (216) 522-4180 if you have any questions. ♦

Did you know...

The SBA has more than eighty regional and district offices combined with its network partners in cities, towns and rural communities across America – it is truly the nation’s Small Business Resource.

News for SBA Lenders



Pay.gov – Lender Payments

What’s new?

All Lenders doing business with the Small Business Administration (SBA) will be able to access a website (Pay.gov) to make electronic remittances. The Pay.gov website address is: <https://pay.gov/>.

What is Pay.gov?

Pay.gov is a free, secure, government-wide financial management transaction portal managed by the U.S. Department of the Treasury's Financial Management Service, developed in conjunction with the Federal Reserve Bank. It offers various on-line electronic financial services that the public can use for remitting payments and associated data electronically to federal agencies. Pay.gov is convenient, easy, and available 7 days a week - 24 hours a day.

Who should use this website?

The Pay.gov website can be used by any Lender choosing to make either of the following payments:

- Loan Guarantee Fees
- Care & Preservation of Collateral (CPC) Expenses

How will the website work?

Payments will be processed electronically by using either a checking or savings account debit processed through the Automated Clearing House (ACH). By accessing the “Find Public Forms” area of the website, Lenders will be able to complete Form 1544 (Lender Fee Payments) to schedule payments online. Any payment processed through Pay.gov requiring a refund will be returned by check. SBA can receive but cannot make payments electronically through Pay.gov.

Does Pay.gov replace SBA’s existing automated ACH system for remittance of electronic payments?

No. Lenders, who have successfully completed implementation, may continue to use SBA’s existing automated ACH program for Loan Guarantee Fee payments and refunds, and to receive the Lender’s share of loan receipts from SBA. SBA’s system, however, requires specific ACH software for implementation. Lenders who elect to use SBA’s ACH system may use Pay.gov in the interim pending implementation completion.

How is the website accessed?

Information on how to access the Pay.gov website is provided at <https://pay.gov/>.

What is coming as a future enhancement?

Coming soon, Lenders will be able to use the SBA Form 172 online to enter data and remit related payments through Pay.gov instead of mailing the form and payment to the SBA.

Do you have questions?

If there are any questions, please contact our Lender Relations staff at (216) 522-4180. ♦

SBA Increases Small Business Size Standards To Account for Inflation

The U.S. Small Business Administration has increased its small business size standards to account for inflation, restoring small business eligibility to those firms that may have lost their small business status because of inflation since February 2002. SBA has adjusted its dollar-based small business size standards, which are based on receipts, net worth and financial assets, to reflect inflation that has occurred since February 2002, when SBA last adjusted them for the same reason. Since the February 2002 inflation adjustment, prices have generally increased 8.7 percent. SBA increased the familiar “anchor” size standard from \$6.0 million to \$6.5 million. Size standards that are higher than \$6 million also reflect similar percentage increases.

“These changes to our size standards and eligibility criteria will ensure that growing small businesses whose growth has matched the inflation rate will continue to have access to SBA’s financial and contracting assistance programs,” said SBA Administrator Hector V. Barreto. “We decided to make these changes immediately, rather than wait, because of the pressing needs that so many small businesses have in the Gulf Coast and in Florida from the recent destructive hurricanes.”

SBA also changed how it determines the size of small business concerns when they apply for SBA Business Loans and for Economic Injury Disaster Loans (EIDL). Instead of looking only at the loan applicant’s primary industry, SBA now looks at both its primary industry and the primary industry of the applicant together with its affiliates. This will provide additional assistance to small businesses that have subsidiaries and affiliates.

SBA also changed procedures for determining size status for the purpose of EIDL applications for businesses located in disaster areas declared because of Hurricanes Katrina, Rita, and Wilma. For an EIDL loan, instead of having to show it was a small business when these hurricanes struck, the firm only has to fit the new small business size standard when SBA accepts its application for processing. SBA issued an Interim Final Rule on December 6, 2005, and the revised size standards took effect the same day for its loan programs. For federal procurement, the new size standards become effective on January 5, 2006.♦

For more information about SBA’s increase to its small business size standards for inflation, please see <http://www.sba.gov/size/indexwhatsnew.html#inflIFR>.

Cleveland District Office Program Staff

Gilbert B. Goldberg, District Director

Richard A. Lukich, District Counsel

Lender Relations:

James F. Donato, Manager and PIO

Timothy J. Ensich, Lender Relations Specialist

Mark C. Hansel, Lender Relations Specialist

Thomas R. Sangrik, Lender Relations Specialist

Business & Economic Development (Community Outreach):

James M. Duffy, Manager

John R. Renner,
Business Development Specialist

Sonya M. Wagasky,
Business Development Specialist

The Urban League of Cleveland, in Cooperation with the SBA Cleveland District Office, to Host Matchmaker 2006

On February 7th and 8th a large contract matchmaking event will take place at Jacobs field in Cleveland. Matchmaker 2006 will feature buyers from Federal agencies, city, state and local governments as well as prime contractors.

There will be one on one meetings scheduled in advance between buying activities and sellers based upon the products and services of the sellers and the needs of the buyers. It is anticipated that 1,400 one on one meetings will take place.

Firms and buyers will register ahead of the event and matches will be scheduled in advance. On both days workshops will be conducted on selling to the Government and GSA schedules. In addition to the matchmaking meetings, workshops and seminars, there will be ample opportunities to network.

Register at www.clevelandb2matchmaker.com/bmp. The cost is \$149.00. Continental breakfast, lunch and afternoon beverages are included.

Register early! Space is limited and this event sells out!

Sponsor support from **National City Bank.**

For more information, please contact the U.S. Small Business Administration Cleveland District Office at 216-522-4180.